

Millennium Challenge Corporation



HONDURAS

Honduras was selected to participate in the Millennium Challenge Account program in fiscal years 2004-2006.



General Information:

Population: 7,141,464

Location: Central America, bordering the Caribbean Sea

Capital City: Tegucigalpa

Relative Size: slightly larger than Tennessee

Economic Statistics:

GNI Per Capita Income: \$1030

Gross Domestic Product: \$7.4 billion

GDP Growth Rate: 5%

Victoria de Diaz

Honduran Point of Contact

"The MCA initiative gave us an opportunity and a challenge to do things right and take things in the right direction."

Compact Goal

The goal of the Compact is to reduce poverty by alleviating two key impediments to economic growth: low agricultural productivity and high transportation costs. The Compact will extend growth to the rural population by enhancing agricultural development and linking its large rural population to markets.

Expected Results

MCC will invest \$215 million toward achievement of the Compact Goal. This investment is expected to increase annual income by an estimated \$69 million by the end of the Compact. To address the two key impediments to growth, the MCA Program in Honduras will work to achieve the following two objectives:

- Increase the productivity and business skills of farmers who operate small- and medium-size farms and their employees
- Reduce transportation costs between targeted production centers and national, regional and global markets

Update on Progress

- Honduras' Compact was signed on June 13, 2005
- Accountable Entity in Honduras (MCA-Honduras) established
- Initial Disbursement scheduled for early 2006